

From: [Luhring, Syl](#)
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Subject: Deferred Compensation
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Importance: High

Yesterday, while working with an agency on deferred comp, I learned that not everyone is moving the fund balance from the 1350 account to the 1351 account when setting it up for the employee. This leaves the employee wide open to over-contribute to the plan which is what caused the change initially.

PLEASE, PLEASE make sure that you follow these three steps when switching from the 1350 plan to the 1351 plan:

1. Stop plan 1350 and all contributions to it.
2. Start plan 1351 using the same contribution amount as requested by the employee for the 1350 plan.
3. Transfer all funds from the 1350 account to the 1351 account using one-time overrides.

For any of you who have previously set up the 1351 account, please make sure that the 1350 account is closed and all funds are transferred into the upgraded 1351 account. Caps have been adjusted to prevent over-contributions and avoid the issues with contributions when the EE hits the cap on the 1350 account.

Let me know if you have other questions.

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